

Enfield Budget Committee MINUTES
Monday June 12th, 2017 DPW Building 6:30PM
Approved July 31st, 2017

Members present: Sam Eaton, Chair; Shirley Green, Vice Chair; James Buffington; Nancy Smith; Holly West; Eric Crate; Mike Diehn; Fred Cummings, Selectboard Representative; Dominic Albanese

Excused: Mark Eisener

Others Present: Alisa Bonnette, Interim Town Manager; Tallis Diehn, Enfield NH

Administrative: Sam called the meeting to order at 6:35 p.m.

New Business:

Approval of minutes:

James motioned to approve the minutes of the February 8th meeting, and Eric seconded. The minutes were approved as amended with changes submitted by Holly to Sam. The votes was 7 ayes, 1 abstain and no nays.

Municipal Fund Accounting explanation needed:

After a few discussions in which it became clear that we'd benefit from an expert's explanation of municipal fund accounting, the committee asked Alisa to invite our town auditor and the Selectboard to a meeting for the auditor to teach us about this. We decided to try for Monday, 31st July at 6:30. Alisa and Sam will coordinate.

Water and Sewer Discussions:

There was a discussion about the water and sewer system, current rates, recent and possible future rate changes, and changes to revenue we might see as a result of adding more hookups and Lakeview.

We learned that we won't see revenue from the Lakeview project until next year (2018). Previously we'd planned to have it start in 2017. We also learned how the metering and billing is expected to work: individual water meters on the Lakeview units will tell us how much water each unit is using and we will bill them for the sewage at that rate. That's how we do it for other hookups except in Lakeview we won't be charging for the water, only the sewage. Their water comes from wells in Lakeview, not the town.

The idea was floated that it might be good to get the W & S department their own bank account to clearly separate the W & S financial activity from the town financial activity. Head nodding and mumbles of assent. We'll ask the auditor for an opinion also and maybe suggest this to the Selectboard.

TIFF District:

There was a brief discussion about the TIFF district and how we account for the money raised from it and the projects we spend that money on. We all agreed we'd like to hear more about this from the auditor. Some opinions have been given that the TIFF district is no longer serving the function it was created for and maybe we could dissolve it to simplify our budgeting.

Expense and Revenue Report Review

Alisa suggested that in future we account for first year lease payments in our debt service budget sections rather than putting under the capital overlay as has been done in the past. Doing this will keep those expenses in plain view for our budgeting work. Murmurs of assent and general agreement sounded through the room.

Alisa told us the overage we saw last month in the Planning Board lines was an accounting mistake and the expenses accounted there will be moved to the 01-4324-491 line where they belong. Also, 01-4210-740 was over by \$1,660.00 because a department head mistakenly approved a payment twice. The vendor sent the duplicate payment back and we'll update the books. The committee wondered how that happened and Alisa said she'd ask.

The Water & Sewer Dept. vehicle and equipment lines are over by \$6,500 and \$4,235 respectively and that's simply their share of the new excavator, which they forgot to put into their budget request. The full amount for the excavator was budgeted so we're not over generally, just on those lines.

Deficit Reduction

There was a discussion about reducing our deficit. The town is not in debt, not running a deficit. We're paying our bills. By deficit, we mean that we've been a bit over budget the last few years which we have to make up in the following year's budget. We saved \$200,000 last year which brought the deficit well down and so we expect to be at only \$45,000 over this year. However, we paid 50,000 for part of Lovejoy Brook this year instead of last year as we'd planned, and so we might be at \$95,000 over. Alisa will ask DRS if we could do a warrant article to take care of that. The budget committee members are all ready to work hard on this during review season this year.

Found Money

Alisa found an old escrow account from 2014 holding \$53,017. It will be used to pay down one of our leases from 197,000 to 144,000. Yay!

A couple of answers to questions from last Thursday's meeting:

1. The compactor repairs were for the old compactor. It required repair/replacement of a pump and the track.
2. The 2016 overpayment of \$41,000 in line 4902-750 for the leased dump bodies was caught by the auditor. Auditor's adjustments will be entered into the bookkeeping system as soon as the auditor provides all of the necessary information (account numbers). Once that's done the \$41,000 will no longer show on the 2017 expense report as it's really a 2016 item.
3. The 4902-765 Vehicles line in the amount of \$29,747 is for the first payment on the 2017 lease. (2017 Town Meeting Warrant Article 7). Steve always included the first payment in Capital Outlay and future payments, once the lease is signed and an amortization schedule is final it's moved to the debt service lines.
4. The revenues simply have not kept up with expenses in that department through 2016 creating and maintaining a deficit. Adjustment of the sewer rate to cover costs and make up at least a portion of the deficit each year is a topic for me, Jim Taylor and the new Town Manager to have with the Board of Selectmen.
5. Our 2016 audit is substantially complete. Our auditor informs me the TIFF fund balance at the end of 2016 is \$751,237. These are the funds that are available for paying the Route 4 Sewer and Water Extension loan and any other improvements recommended by the TIFF Committee and approved by the Board of Selectmen. All expenditures from the TIFF Fund must go through the appropriation/budget process, but will be balanced by revenue from the TIFF District so expenses won't affect the tax rate.

Sam adjourned the meeting at 7:20 p.m.

Minutes recorded and respectfully submitted to the committee by Mike Diehn.